

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

SUMMIT ICE MELT SYSTEMS, INC.,
Plaintiff,
v.
HOTEDGE, LLC,
Defendant.

Case No. 3:24-cv-00066-ART-CSD

ORDER
(ECF Nos. 6, 34, 36, 50, 52)

Plaintiff Summit Ice Melt Systems, Inc., a manufacturer of products that melt ice on roofs, sued Defendant HotEdge, LLC, another manufacturer of products that melt ice on roofs, for unauthorized use of Summit's registered trademark "PRO." Summit seeks injunctive relief barring HotEdge from using Summit's "PRO" mark and requiring HotEdge to preserve evidence of prior use. (ECF Nos. 6, 19, 32, 49, 50, 52, 53, 56.) HotEdge has also filed an answer and a counterclaim seeking to void Summit's trademark, (ECF No. 35), and moved to dismiss two counts in Summit's First Amended Complaint (ECF No. 29). (See ECF Nos. 34, 46, 47.)

The Court denies Summit's motion for preliminary injunctive relief and HotEdge's motion to dismiss.

I. FACTUAL AND PROCEDURAL BACKGROUND

Summit has used the "PRO" mark to sell its premiere ice-melting system since May 2013, though it marketed the product as the "Radiant Edge PRO Roof Ice Melt System" and "PATENTED Radiant Edge PRO Roof Ice Melt System" until late 2017. (ECF Nos. 6, 53-3.) Summit's ice-melt system may be installed on existing roofs or in new construction, including remodels. Summit applied for a trademark for "PRO" in 2017. The USPTO rejected its first application as descriptive, but Summit convinced the agency that the mark was suggestive and

1 ambiguous. (ECF No. 32-3.) The USPTO approved Summit's application and
2 added "PRO" to the registry. (ECF No. 6-2.)

3 Defendant Hotedge, LLC, also sells roof ice-melt systems. HotEdge claims
4 to have used "PRO" in the title of several of its products since 2015, including the
5 HotMetal PRO, HotMetal PRO2X, HotShingle PRO, the HotValley PRO,
6 HotFlashing PRO, HotShingle PRO2X, HotSlate PRO, HotShake PRO, and the
7 HotTile PRO. (ECF No. 19.) HotEdge alleges that it uses "PRO" to designate
8 products that are for construction professionals like architects, designers, and
9 general contractors, and that the PRO line of products is exclusively marketed for
10 new construction and remodeling projects, not for installation on existing
11 structures.

12 Summit and HotEdge's products compete with one another in the Lake
13 Tahoe and Northern Nevada geographic areas, and at least some of their products
14 are substitutes for one another as roof ice-melt systems. (ECF Nos. 6, 19.) Both
15 companies have submitted bids for the same construction projects, though
16 Summit claims it did not find out about HotEdge's use of the "PRO" mark until
17 January 2024. HotEdge claims that it has been aware of Summit's products for
18 several years, but that it did not realize that Summit had trademarked "PRO."
19 (ECF No. 19-1.)

20 Both companies sell their products primarily to construction professionals
21 and occasionally to individual homeowners. Summit explains that its customers
22 are "ordinary homeowners who are unsophisticated in the field of roof ice melt
23 systems" as well as "sophisticated residential and commercial owners." (ECF Nos.
24 6, 19-3.) At the hearing, Summit represented that around 75% of its sales come
25 from industrial and professional purchasers, and 25% come from retail
26 customers. (See ECF No. 60.) Both companies represented that they do not sell
27 any products on the open market or through retail channels. (*Id.*) The only way
28 that a prospective customer could obtain either company's products is by

1 contacting the company, providing details for the specific project, and requesting
2 a quote. (*See id.*)

3 Shortly after Summit filed this lawsuit, HotEdge started administrative
4 proceedings to cancel Summit’s “PRO” trademark at the USPTO as descriptive or
5 generic. (*See* ECF No 19.) HotEdge also counterclaimed asking this Court to do
6 the same. (*See* ECF No. 18.) The USPTO stayed proceedings until the matter
7 before this Court is resolved. *See Hotedge, LLC v. Summit Ice Melt Sys., T.T.A.B.*,
8 92085126-CAN, No. 10.

9 **II. SUMMIT’S PRELIMINARY INJUNCTION**

10 **A. Legal Standard**

11 A movant seeking preliminary injunctive relief must show that they are
12 likely to succeed on the merits, that they are likely to suffer irreparable harm in
13 the absence of preliminary relief, that the balance of equities tips in their favor,
14 and that an injunction is in the public interest. *Winter v. Nat. Res. Def. Council,*
15 *Inc.*, 555 U.S. 7, 20 (2008). A preliminary injunction is an “extraordinary” and
16 “drastic” remedy that requires the moving party to clearly show that they carry
17 the burden of persuasion. *Mazurek v. Armstrong*, 520 U.S. 968, 972 (1997)
18 (cleaned up). The most important *Winter* factor is likelihood of success on the
19 merits. *See Disney Enterprises, Inc. v. VidAngel, Inc.*, 869 F.3d 848, 856 (9th Cir.
20 2017).

21 **B. Likelihood of Success on the Merits**

22 Summit seeks preliminary injunctive relief for its federal trademark
23 infringement claim, an unfair competition claims under 15 U.S.C. § 1125(a), its
24 Nevada Deceptive Trade Practices Claim, and a Common Law Trademark
25 Infringement claim. (ECF No. 29.) All of these claims rest on the federal standard
26 for trademark infringement. *Lodestar Anstalt v. Bacardi & Co. Ltd.*, 31 F.4th 1228,
27 1251 (9th Cir. 2022) (Lanham Act trademark infringement and unfair competition
28 under the Lanham Act share “exactly the same” burden of consumer confusion);

1 NRS 598.0915(1), 598.0923(1)(c); see *BBK Tobacco & Foods, LLP v. Aims Grp. USA*
2 *Corp.*, 723 F. Supp. 3d 973, 986 (D. Nev. 2024) (“[t]he elements of common law
3 claims for trademark infringement and unfair competition mirror the federal
4 standard” in Nevada). Accordingly, Summit’s trademark infringement claim must
5 be evaluated to determine if the preliminary injunction is warranted.

6 **1. Trademark Infringement**

7 Trademark infringement occurs when an unauthorized user of a mark sells
8 goods using that mark in a way likely to cause confusion or mistake. 15
9 U.S.C. § 1114(1)(a). A successful claim for trademark infringement must show
10 that (1) the claimant has a protectible ownership interest in the mark; and (2) the
11 defendant’s use of the mark is likely to cause consumer confusion. *Network*
12 *Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1144 (9th Cir.
13 2011) (citing *Dep’t of Parks & Recreation v. Bazaar Del Mundo Inc.*, 448 F.3d 1118,
14 1124 (9th Cir. 2006)).

15 Although Summit has satisfied the first element by showing that it
16 registered the “PRO” mark, (ECF No. 6-2); *Pom Wonderful LLC v. Hubbard*, 775
17 F.3d 1118, 1124 (9th Cir. 2014) (registration *prima facie* evidence of ownership
18 interest), Summit has not shown the second element, likelihood of consumer
19 confusion.

20 **a. Likelihood of Consumer Confusion**

21 For success on the merits of its trademark infringement and unfair trade
22 practices claims, Summit must show that HotEdge’s use of the word “PRO” is
23 likely to confuse Summit’s and HotEdge’s customers. Courts use the eight
24 *Sleekcraft* factors to examine whether the similarity of the mark is likely to
25 confuse customers about the source of the products. See *Freecycle Network, Inc.*
26 *v. Oey*, 505 F.3d 898, 902 (9th Cir. 2007) (quoting *Abercrombie & Fitch Co. v.*
27 *Moose Creek, Inc.*, 486 F.3d 629, 633 (9th Cir. 2007)). These factors are (1)
28 strength of the mark; (2) similarity of the marks; (3) proximity of the goods; (4)

evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines. See *Lodestar Anstalt*, 31 F.4th at 1252; *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir.1979), *abrogated on other grounds by Mattel Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 810 n.19 (9th Cir.2003).

The *Sleekcraft* factors must be applied “in a flexible fashion” and “may rest on only those factors that are most pertinent to the particular case.” *Rearden LLC v. Rearden Com., Inc.*, 683 F.3d 1190, 1209 (9th Cir. 2012). Three factors are not relevant at this stage: (4) actual confusion, (5) marketing channels used, and (8) likelihood of expansion. Binding precedent prevents the Court from considering the fourth factor, actual confusion, in deciding likelihood of consumer confusion for a preliminary injunction. See *Network*, 638 F.3d at 1151. The Court also recognizes that the fifth factor, marketing channels used, does not apply because using the Internet to market products is “properly accorded . . . no weight.” *Lerner & Rowe PC v. Brown Engstrand & Shely LLC*, 119 F.4th 711, 725 (9th Cir. 2024). Finally, both parties and the Court agree that the eighth factor, likelihood of product expansion, is not relevant to this case because Summit and HotEdge are direct competitors. Accordingly, the Court does not consider these factors, and only considers (i) strength of the mark; (ii) similarity of the marks; (iii) proximity of the goods; (iv) type of goods and the degree of care likely to be exercised by the purchaser; and (v) defendant's intent in selecting the mark.

i. The strength of Summit’s “PRO” mark

The strength of a mark is relevant to evaluating likelihood of consumer confusion, and it depends on two components: conceptual and commercial strength. *GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1207 (9th Cir. 2000). The Court evaluates whether Summit has shown either form of strength.

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1. Summit's mark is conceptually weak.

Conceptual strength exists along a five-part spectrum. The “inherently distinctive” categories are arbitrary, fanciful, and suggestive; and marks that receive these classifications receive the most legal protection. 1 McCarthy on Trademarks and Unfair Competition (“McCarthy”) § 11:2 (5th ed.). Descriptive marks receive protection only when the mark has acquired distinctiveness through commercial use, also referred to as “secondary meaning,” and generic marks receive no trademark protection. *Id.* Summit's registration of the mark with the USPTO entitles it to a rebuttable presumption of being suggestive. 2 McCarthy § 11:43; (see ECF No. 32-2).

HotEdge, however, may rebut Summit's presumption of conceptual strength. “Suggestive marks are presumptively weak,” and “[s]ome weak marks are weaker than others.” *Brookfield Commc'ns, Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1058 (9th Cir. 1999); see also *Fortune Dynamic, Inc. v. Victoria's Secret Stores Brand Mgmt., Inc.*, 618 F.3d 1025, 1033 (9th Cir. 2010) (“line between descriptive and suggestive marks . . . nearly incapable of precise description”) (citing *Lahoti v. VeriCheck, Inc.*, 586 F.3d 1190, 1197 (9th Cir.2009)). To assess conceptual strength, the Court applies the “imagination test” and “competitors' needs test,” which both show that Summit's mark is weak.

The imagination test asks if “imagination or a mental leap” is required to reach a conclusion about the nature of the product being referenced. *Zobmondo Ent., LLC v. Falls Media, LLC*, 602 F.3d 1108, 1115 (9th Cir. 2010) (quoting *Rudolph Int'l, Inc. v. Realys, Inc.*, 482 F.3d 1195, 1198 (9th Cir. 2007)). A mark is weak if it “describe[s] some aspect of the product.” *Id.* (citing *Bada Co. v. Montgomery Ward & Co.*, 426 F.2d 8, 11 (9th Cir. 1970)). For example, the marks “ENTREPRENEUR,” “Aviation,” and “Classroom” applied to magazines about entrepreneurs, aviation, and the instruction of students, respectively, do not require imagination and are thus weak. *Id.*; *Entrepreneur Media, Inc. v. Smith*,

1 279 F.3d 1135, 1142 (9th Cir. 2002). Applying the imagination test, this Court
2 finds that the “PRO” mark describes Summit’s ice-melting system as having
3 professional quality. *See Good Meat Project v. GOOD Meat, Inc.*, 716 F. Supp. 3d
4 783, 798 (N.D. Cal. 2024) (“little-to-no mental leap required to understand that
5 GOOD MEAT describes [Good Meat Project’s] services”).

6 The “PRO” mark is also weak under the competitors’ needs test, which asks
7 to what extent a mark is needed by competitors to identify their goods or services.
8 *Zobmondo*, 602 F.3d at 1117. If competitors need to use a mark to describe their
9 product, the mark is weak. *See id*; *see M2 Software, Inc. v. Madacy Ent.*, 421 F.3d
10 1073, 1088 (9th Cir. 2005) (“use of similar marks by third-party companies in
11 the relevant industry weakens the mark”). HotEdge has argued that it uses the
12 mark “PRO” to describe its line of products made for professionals. (ECF No. 19.)
13 Other products, for example, the roof-gutter-de-icing “PD Pro Series,” also use
14 the mark for this purpose. (ECF No. 19-1, at 76). It is not obvious how a
15 competitor could indicate that their products are meant for construction
16 professionals without using either “professional” or “pro” in the product title.

17 **2. Summit’s mark is commercially weak.**

18 Next, the Court considers if Summit has shown that the “PRO” mark has
19 commercial strength. “Commercial strength is based on actual marketplace
20 recognition,” and may be proven, for instance, through advertising expenditures.
21 *Network*, 638 F.3d at 1149 (internal citations omitted). Summit has asserted that
22 it advertises its products to customers who live in areas with significant snowfall
23 and that it has spent “significant funds” to promote its products. (ECF No. 6-1.)
24 These assertions do not suffice as proof of commercial strength.

25 **3. Summit’s mark is weak.**

26 Summit points to *Brookfield* for the proposition that strength of the mark
27 is not weighed when the mark is identical and the two products are closely
28 related, but *Brookfield* is a domain-name case. 174 F.3d at 1059; *see Rearden*

1 *LLC*, 683 F.3d at 1209–10 (“internet trinity” *Sleekcraft* factors less important in
2 cases that are not about domain names).

3 Accordingly, the Court finds that strength of the mark is a factor deserving
4 moderate weight and that Summit’s mark is weak. A weak mark may still receive
5 protection if the infringing mark is “quite similar, and the goods closely related.”
6 *Sleekcraft*, 599 F.2d at 350.

7 **ii. Similarity of Marks**

8 Similarity of the marks is relevant to finding likelihood of consumer
9 confusion. The Court considers the marks’ “appearance, sound, and meaning;” it
10 considers the marks “in their entirety and as they appear in the marketplace;”
11 and it weighs “similarities . . . more heavily than differences.” *Pom Wonderful*, 775
12 F.3d at 1127–28.

13 HotEdge and Summit use “PRO” in a similar manner. Summit advertises
14 the “PATENTED PRO® Roof Ice Melt System,” the “Radiant Edge PRO Roof Ice
15 Melt System,” the “PATENTED Radiant Edge PRO Roof Ice Melt System,” and
16 refers to its product as “the PRO.” (See ECF Nos. 6, 53-3.) HotEdge advertises the
17 HotMetal PRO, the HotMetal PRO2X, the HotShingle PRO, the HotValley PRO,
18 and others. (ECF No. 19.) Both companies use “PRO” in black capital letters that
19 are around the same size as the surrounding words. Both companies intend the
20 same meaning for PRO, as in, a laudatory connotation associated with products
21 of professional quality or for professionals. *See supra*.

22 The key difference is that Summit uses “the PRO” alone, while HotEdge’s
23 uses “PRO” after various “Hot” words, often followed by numbers. While the
24 marks sound identical, HotEdge’s product names that use the mark look and
25 sound distinct in their entirety and as they appear in the marketplace.

26 Summit argues that the Ninth Circuit’s finding of similarity in *La Quinta*
27 *Worldwide LLC v. Q.R.T.M., S.A. de C.V.* requires this Court to weigh this factor
28 heavily in finding a likelihood of confusion, but in that case, both companies’

1 “dominant words [“Quinta”] frequently appear[ed] without anything more in the
2 marketplace,” and there is no evidence here of HotEdge using the mark “PRO”
3 without the surrounding words. 762 F.3d 867, 876 (9th Cir. 2014).

4 While meaningful differences exist between the marks in their entirety, the
5 Court weighs similarities more heavily than differences to find that this factor
6 weighs moderately in favor of consumer confusion.

7 **iii. Proximity of Summit and HotEdge’s Products**

8 “Related goods are generally more likely than unrelated goods to confuse
9 the public as to the producers of the goods.” *Brookfield*, 174 F.3d at 1055.
10 Whether goods are closely related is “less important if advertisements are clearly
11 labeled or consumers exercise a high degree of care, because rather than being
12 misled, the consumer would merely be confronted with choices among similar
13 products.” *Network*, 638 F.3d at 1150. Weighing two parties’ status as direct
14 competitors too heavily can be clear error. *Id.*

15 Both Summit and HotEdge sell systems for melting ice on roofs in similar
16 geographic markets to construction professionals. (See ECF No. 60.) Both
17 companies have submitted bids on the same construction projects for rooftop ice-
18 melting systems. (See ECF Nos. 19-1, 32-5.) While this would normally weigh
19 heavily in favor of consumer confusion, it is not dispositive because of the
20 following factor: the degree of care a reasonable purchaser is likely to exercise in
21 selecting the product.

22 **iv. Degree of Care Likely to Be Exercised by Purchaser**

23 Whether a “‘reasonably prudent consumer’ would take the time to
24 distinguish between the two product lines” is relevant to finding consumer
25 confusion. *Survivor Media*, 406 F.3d 625, 634 (9th Cir. 2005) (quoting *Brookfield*,
26 174 F.3d at 1060). The Court finds that consumers of Summit’s and HotEdge’s
27 products are likely to exercise a high degree of care in selecting their products
28 because both products are expensive, most buyers are construction

1 professionals, and both products are sold through a quote system. This factor
2 weighs heavily against finding consumer confusion.

3 First, the risk of confusion is minimal because both companies' products
4 cost several thousand dollars. *Off. Airline Guides, Inc. v. Goss*, 6 F.3d 1385, 1393
5 (9th Cir. 1993) (finding confusion unlikely for products that cost several thousand
6 dollars). Summit argues that "even purchasers of high-end products who exercise
7 great care" can easily be confused, citing *Boldface Licensing + Branding v. By Lee*
8 *Tillett, Inc.*, but the products in that case were cosmetics ranging between \$6.49
9 and \$100. 940 F. Supp. 2d 1178, 1189 (C.D. Cal. 2013). Consumers are likely to
10 exercise great care on home improvements, like these roof ice-melt systems, that
11 cost several thousand dollars.

12 Second, risk of confusion is minimal because both companies primarily
13 market their products to construction professionals. *Accuride Int'l, Inc. v. Accuride*
14 *Corp.*, 871 F.2d 1531, 1537 (9th Cir. 1989) (finding fact that purchasers were
15 "highly specialized professional[s]" weighs "heavily against finding a likelihood of
16 confusion in the relevant purchasing population"). At the hearing, Summit stated
17 that only twenty-five percent of its sales are retail, and the rest are made to
18 construction professionals. (ECF No. 60.) HotEdge, on the other hand, markets
19 its "PRO" line of products exclusively for remodels and new construction, (see
20 ECF No. 19-1), which are more likely to be undertaken by construction
21 professionals than by individual homeowners. The reasonably prudent consumer
22 in this case is most likely a construction professional, and construction
23 professionals are unlikely to be confused by HotEdge's use of "PRO."

24 Finally, the risk of consumer confusion is minimal because both products
25 are sold through a quote system. Neither Summit nor HotEdge sell their products
26 on the open market. (ECF No. 60.) Their products are not available through retail
27 channels or even directly for purchase through their website. (*Id.*) A consumer
28 looking to purchase either "the PRO" or a "HotShingle PRO" must communicate

1 with a Summit or HotEdge representative about their project and about the
2 product to receive a quote. (*Id.*) Summit hypothesizes that a homeowner whose
3 neighbor recommended “the PRO” ice-melting system might be confused about
4 which product it is. The fact that this consumer cannot make an impulse
5 purchase, must consider the name and nature of the product several times before
6 buying it, and also must interact with a company representative about the
7 product weighs against finding consumer confusion.

8 Accordingly, this factor weighs strongly against Summit.

9 **v. Lack of Willful Infringement**

10 Whether an alleged infringer adopts a mark with actual or constructive
11 knowledge that it is someone else’s trademark is “relevant to the extent that it
12 bears upon the likelihood that consumers will be confused.” *Brookfield*, 174 F.3d
13 at 1059. Intent to deceive the public is presumed when an alleged infringer
14 knowingly adopts a mark resembling another’s. *Off. Airline Guides*, 6 F.3d at
15 1394. The evidence before the Court so far does not show that HotEdge knowingly
16 infringed on Summit’s mark.

17 First, the timing of HotEdge’s use of the “PRO” mark and Summit’s
18 protection of the mark weigh against finding knowing adoption of a protected
19 mark. HotEdge has used the “PRO” mark since 2015 (ECF No. 19-1) and
20 maintains that it first learned that Summit had registered the “PRO” mark when
21 it received notice of this lawsuit. (ECF No. 6.) Evidence submitted by Summit
22 shows that it did not include ™ or ® symbols on its web advertisements until
23 2018. (See ECF No. 53-3.) Summit also frequently changed its product name, to
24 the point where a reasonable reader could have thought that Summit’s trademark
25 was “Radiant Edge PRO” or “PATENTED PRO Ice Melt System.” (*Id.*; see ECF Nos.
26 32-1, 52-1.).

27 Additionally, HotEdge has so far credibly argued that its intent in adopting
28 the “PRO” mark was to describe its professional series of products, not to mislead

1 consumers. *See Network*, 638 F.3d at 1153. This factor does not weigh in favor
2 of finding consumer confusion.

3 Accordingly, this factor weighs against Summit.

4 **vi. Summit is unlikely to show consumer confusion.**

5 Considering the relevant *Sleekcraft* factors, the Court finds that Summit is
6 not likely to succeed on the merits of its trademark claims because it has not
7 shown that consumer confusion is likely. Summit and HotEdge sell to purchasers
8 whose degree of care in selecting the product minimizes risk of confusion. Both
9 products are expensive and sold primarily to construction professionals. Neither
10 product can be purchased without obtaining a quote. The “PRO” mark is weak,
11 and both companies use it descriptively. The Court is not convinced that
12 HotEdge, which has used the “PRO” mark descriptively in its product names since
13 2015, has willfully infringed the mark.

14 On the other hand, Summit and HotEdge directly compete in the same
15 geographic markets, and HotEdge uses the entire mark. These factors do not
16 compel finding likelihood of confusion because both companies’ customers are
17 likely to exercise care for the reasons explained above, and HotEdge’s use of
18 words before and numbers after “PRO” reduces the salience of the marks’
19 similarity.

20 **b. NDTPA claims**

21 For the same reasons, Summit is also unlikely to succeed on the merits of
22 its NDTPA claims. Any person who is a victim of consumer fraud may sue for
23 relief under Nevada’s Deceptive Trade Practices Act. NRS 41.600(1). Consumer
24 fraud includes the following deceptive trade practices, for which Summit seeks
25 relief: knowingly passing off goods or services for sale as those of another person
26 (NRS 598.0915(c)) and knowingly violating a state or federal statute relating to
27 the sale of goods (NRS 598.0923(1)(c)). Summit argues that HotEdge’s use of
28 “PRO” is passing off its products as Summit’s or approved by Summit, in violation

1 of federal trademark law. (See ECF No. 6.)

2 The Court finds that Summit has not produced sufficient evidence to show
3 that HotEdge has knowingly passed off its products as Summit's for the same
4 reasons it finds that consumers are not likely to be confused. *See supra*. In
5 addition, the Court finds that because Summit has not shown trademark
6 infringement, it has not shown that HotEdge knowingly violated a state or federal
7 statute related to the sale of goods.

8 **C. Irreparable Harm**

9 A movant for a preliminary injunction must show they are "likely to suffer
10 irreparable harm in the absence of preliminary relief." *Winter*, 555 U.S. at 20. A
11 party seeking relief under the Lanham Act is "entitled to a rebuttable presumption
12 of irreparable harm upon . . . a finding of likelihood of success on the merits"
13 when seeking preliminary injunctive relief for a trademark violation. 15 U.S.C. §
14 1116(a). Without the presumption arising out of a likelihood of success on the
15 merits, "unsupported and conclusory statements regarding harm [a movant]
16 *might* suffer" will not suffice for preliminary injunctive relief. *Herb Reed*
17 *Enterprises, LLC v. Fla. Ent. Mgmt., Inc.*, 736 F.3d 1239, 1250 (9th Cir. 2013).

18 Summit is not entitled to the Lanham Act's presumption of irreparable
19 harm because the Court has not found a likelihood of success on the merits. *See*
20 *supra*.

21 Nor has Summit proved irreparable harm independent of the Lanham Act's
22 presumption. In *Herb Reed Enterprises*, the Ninth Circuit found that the movant
23 failed to show irreparable harm, even with evidence of actual consumer
24 confusion. 736 F.3d at 1250. Despite being direct competitors, Summit claims
25 that it did not know that HotEdge had infringed until 2024, while HotEdge has
26 shown that it has used the "PRO" mark since 2015. (See ECF No. 32.) HotEdge's
27 alleged infringement has taken place over nine years, and Summit has failed to
28 produce any evidence of consumer confusion. Nor has Summit pointed to

1 evidence that HotEdge’s use of “PRO” has seriously damaged Summit’s
2 reputation, interfered with Summit’s operations, or otherwise harmed Summit.
3 Finally, Summit has not shown why money damages would not be calculable or
4 otherwise vindicate the alleged infringement. The Court finds no likelihood of
5 irreparable harm.

6 **D. The Balance of Equities**

7 A movant for preliminary injunctive relief must show that “the balance of
8 equities tips in their favor.” *Winter*, 555 U.S. at 20. The Court finds that without
9 irreparable harm or likelihood of success on the merits, “forcing [Defendant] to
10 undergo a massive rebranding of a name it has built up for about nine years”
11 outweighs the hardship of denying the injunction to Plaintiff. *See Good Meat*
12 *Project*, 716 F. Supp. 3d at 806 (quoting *Kiva Health Brands LLC v. Kiva Brands*
13 *Inc.*, 402 F. Supp. 3d 877, 899 (N.D. Cal. 2019). The balance of equities weighs
14 against granting an injunction.

15 **E. Public’s Interest**

16 A movant for a preliminary injunction must also show that “an injunction
17 is in the public interest.” *Winter*, 555 U.S. at 20. There does not appear to be a
18 public interest value in precluding use of the word “PRO” from a product market
19 where distinctions between products for lay and professional users may be
20 important. *See* 1 McCarthy § 1:24. Summit has not shown that a preliminary
21 injunction is in the public’s interest.

22 **IV. HotEdge’s Motion to Dismiss**

23 HotEdge seeks to dismiss Summit’s trademark-dilution claim because it is
24 based on the niche fame doctrine and Summit’s Nevada Deceptive Trade Practices
25 Act (NDTPA) claim because Summit fails to allege reliance. The Court denies the
26 motion because Nevada law permits trademark-dilution claims based on niche
27 fame even though federal law no longer allows them, and reliance is not an
28 element of NDTPA claims based on unfair competition.

1 **A. Legal Standard**

2 A complaint must provide “a short and plain statement of the claim
3 showing that the pleader is entitled to relief.” Fed. R. Civ. P. 8(a)(2); *Bell Atl. Corp.*
4 *v. Twombly*, 550 U.S. 544, 555 (2007). A complaint must be plausible and contain
5 more than a “recitation of the elements of a cause of action.” *Ashcroft v. Iqbal*,
6 556 U.S. 662, 678 (2009) (citing *Twombly*, 550 U.S. at 555). All factual allegations
7 set forth in the complaint are taken as true and construed in the light most
8 favorable to the plaintiff. *Lee v. City of Los Angeles*, 250 F.3d 668, 679 (9th Cir.
9 2001). An otherwise plausible claim may be dismissed under Fed. R. Civ. P.
10 12(b)(6) for “lack of a cognizable legal theory.” *Solida v. McKelvey*, 820 F.3d 1090,
11 1096 (9th Cir. 2016).

12 **B. Nevada Trademark Dilution**

13 The Court must decide if Nevada’s trademark-dilution statute permits
14 claims based on niche fame. Nevada’s statute prohibits the dilution of marks
15 famous in Nevada. NRS 600.435(1). A mark can be famous in Nevada based on
16 its “degree of recognition . . . [in] trading areas and channels of trade.” See NRS
17 600.435(2)(f). Fame limited to channels of trade and trading areas is referred to
18 as “niche” fame. See *Thane Int’l, Inc. v. Trek Bicycle Corp.*, 305 F.3d 894, 908 (9th
19 Cir. 2002).

20 Nevada’s trademark-dilution law was modeled after the Lanham Act, which
21 previously permitted claims based on niche fame. See *Russell Rd. Food &*
22 *Beverage, LLC v. Galam*, 180 F. Supp. 3d 724, 741–42 (D. Nev. 2016); compare
23 15 U.S.C. § 1125(c) with NRS 600.435; see *Thane*, 305 F.3d at 908 (discussing
24 origin of niche fame doctrine). The Lanham Act was later amended to prohibit
25 claims based on niche fame. See 15 U.S.C. § 1125(c)(2)(A) (mark must be “widely
26 recognized by the general consuming public of the United States”); *Blumenthal*
27 *Distrib., Inc. v. Herman Miller, Inc.*, 963 F.3d 859, 870 (9th Cir. 2020). The Nevada
28 dilution statute was never changed to prohibit niche fame or otherwise amended.

1 Nevada’s dilution statute therefore still permits claims based on niche fame.

2 While HotEdge argues that public policy disfavors the concept of niche
3 fame, *see* 3 McCarthy § 24:105, the Nevada Legislature has not modified the
4 statutory provisions that give rise to niche fame and must be considered when
5 deciding whether a party states a claim under NRS 600.435. The Court therefore
6 denies HotEdge’s motion to dismiss Summit’s NRS trademark-dilution claim.

7 **C. NDTPA**

8 HotEdge moves to dismiss Summit’s NDTPA claim for not alleging reliance
9 and for not being pled with particularity. As no Nevada Supreme Court case
10 plainly holds that the claimant’s reliance is or is not an element of the NDTPA,
11 this Court must predict how the Nevada Supreme Court would decide the issue.
12 This Court predicts that reliance is not an element of NDTPA claims based on
13 unfair competition and finds that Summit’s pleading satisfies Rule 9(b).

14 **1. Reliance**

15 NRS 41.600 provides a cause of action to “any person who is a victim of
16 consumer fraud,” including a “business competitor.” *R.J. Reynolds Tobacco Co.*
17 *v. Eighth Jud. Dist. Ct.*, 514 P.3d 425, 433 (Nev. 2022). Consumer fraud includes
18 both knowingly passing off goods or services for sale as those of another person
19 and knowingly violating state and federal statutes relating to the sale of its goods.
20 *See* NRS 41.600, 598.0915, 598.0923(1)(c).

21 The Nevada Supreme Court’s reasoning in *R.J. Reynolds Tobacco Co.* shows
22 that reliance is not a necessary element in all NDTPA claims, even though the
23 plaintiff in that case alleged reliance. 514 P.3d at 429–31 (citing *S. Serv. Corp. v.*
24 *Excel Bldg. Servs.*, 617 F. Supp. 2d 1097, 1100 (D. Nev. 2007)). *Reynolds*
25 instructs courts to interpret the NDTPA by its plain language, recognize it as a
26 “remedial statutory scheme [that] should be afforded liberal construction,” and
27 to not “read in” requirements. 514 P.3d at 429–31 (internal citations omitted).
28 The *Reynolds* Court endorsed *Del Webb Communities, Inc. v. Partington*, 652 F.3d

1 1145, 1153 (9th Cir. 2011) (allowing developer to sue a building-inspection
2 company for false statements to homeowners without alleging reliance), and
3 *Southern Service*, 617 F. Supp. 2d at 1100 (allowing business competitors to sue
4 one another for unfair practices without alleging reliance). This further supports
5 finding that the NDTPA permits claims that do not allege reliance. Accordingly,
6 the Court predicts that the Nevada Supreme Court would not require a showing
7 of reliance to state a claim under the NDTPA in this case, and it denies HotEdge's
8 motion to dismiss Plaintiff's NDTPA claim for failing to allege reliance.

9 **2. Particularity**

10 In addition, Summit has stated a NDTPA claim with particularity. A party
11 alleging fraud must "state with particularity the circumstances constituting fraud
12 or mistake." Fed. R. Civ. P. 9(b). An allegation of fraud must be accompanied by
13 the "who, what, when, where, and how" of the allegation. *Vess v. Ciba-Geigy Corp.*
14 *USA*, 317 F.3d 1097, 1106 (9th Cir. 2003). Summit alleges HotEdge began using
15 Summit's "PRO" mark on their roof ice melt products around 2015 in the snowy
16 markets where both companies sell their products by putting it on their
17 advertisements and product models. (See ECF No. 29.) This satisfies Rule 9(b).
18 Accordingly, the Court denies HotEdge's motion to dismiss Summit's NDTPA
19 claim for failing to allege fraud with particularity.

20 **V. Conclusion.**

21 It is ordered that Plaintiff's Motion for a Temporary Restraining Order,
22 construed as a motion for preliminary injunctive relief, (ECF No. 6) be denied.

23 It is further ordered that Defendant's Motion to Dismiss Plaintiff's second
24 and fourth claims (ECF No. 34) be denied.


25 It is further ordered that HotEdge's Motion to Strike (ECF No. 36) be denied
26 as moot because Summit amended the reply that HotEdge sought to strike.

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1 It is further ordered that both parties' motions to file additional documents
2 (ECF Nos. 50, 52) in support of their positions regarding Summit's preliminary
3 injunctive relief is granted.

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5 DATED THIS 27th day of January 2025.

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8 ANNE R. TRAUM
9 UNITED STATES DISTRICT JUDGE
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